



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 8, 2008

Ms. Meg Yeage, President
ConocoPhillips
600 North Dairy Ashford
Houston, TX 77079

CPF 4-2008-5011

Dear Ms. Yeage:

On September 10-21, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your 8-inch HVL pipeline beginning in Skellytown, Texas and ending in Mont Belvieu, Texas.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

- 1. 195.412 Inspection of rights-of-way and crossings under navigable waters.**
 - (a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.**

ConocoPhillips' preferred method of inspection of the surface conditions on or adjacent to the Skelly Belvieu Pipeline right-of-way is flying the right-of-way. There are locations on the pipeline right-of-way that ConocoPhillips had not adequately maintained at the time of the inspection. Some locations were overgrown with vegetation including bushes, weeds, and trees, obscuring the pipeline markers and making it difficult to determine the pipeline route. This results in less effective aerial patrolling because problems with the pipeline could be obscured by growth, as evidenced by comments made by the company pilot in 2007 while flying the right-of-way. ConocoPhillips needs to ensure that its pipeline right-of-way is adequately maintained.

2. 195.410 Line Markers.

- (a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following: (1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.**

ConocoPhillips does not have an adequate number of pipeline markers along its right-of-way so that the location of the pipeline is accurately known. There are areas on the right-of-way where it is difficult to discern the route of the pipeline as adjacent markers cannot always be seen when standing at a given pipeline marker. ConocoPhillips should install additional pipeline markers so that the location of the pipeline is accurately known, and diligently maintain existing pipeline markers.

3. 195.583 What must I do to monitor atmospheric corrosion control?

- (c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by §195.581.**

ConocoPhillips has not addressed atmospheric corrosion on exposed pipe and pipeline components for the Skelly Belvieu Pipeline. There are several areas of exposed pipeline segments on the Skelly Belvieu Unit that exhibit heavy oxidation and other areas of light rust. A significant portion of the pipeline is in need of being painted.

Proposed Compliance Order

With respect to Items 1 and 3, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ConocoPhillips. Please refer to the Proposed Compliance Order that is enclosed and made a part of this Notice.

Warning Items

With respect to item 2, we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty

assessment proceedings at this time. We advise you to promptly correct this item. Be advised that failure to do so may result in ConocoPhillips being subject to additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance Proceedings. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552

(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 4-2008-5011** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to ConocoPhillips incorporating the following remedial requirements to ensure the compliance of ConocoPhillips with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to inspection of right-of-way, ConocoPhillips must submit photographs and/or other documentation that shows maintenance has been performed so that the pipeline markers can be seen and the route clearly determined during the right-of-way inspection required by §195.412.
2. In regard to Item Number 3 of the Notice pertaining to monitoring atmospheric corrosion control, ConocoPhillips must submit documentation and representative photographs showing that the exposed pipeline components have been properly protected from atmospheric corrosion as required by §195.581.
3. Provide to the Pipeline and Hazardous Materials Safety Administration the information required in Item 1 of this Compliance Order within 270 days and Item 3 within 120 days following receipt of the Final Order by submitting to the Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration, 8701 South Gessner, Suite 1110, Houston, Texas 77074.
4. ConocoPhillips shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mr. R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.